

## Message Text

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70

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 COME-00 EB-11 LAB-06 SIL-01 HEW-08 NIC-01

OMB-01 DRC-01 /124 W

----- 118230

R 302100Z APR 74

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 4026

INFO AMEMBASSY GUATEMALA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

USCINCSO

C O N F I D E N T I A L MANAGUA 1680

USCINCSO FOR POLAD

E. O. 11652: GDS

TAGS: ELAB, PINT, NU

SUBJECT: HOSPITAL STRIKE APPEARS ENDED

REF: MANAGUA 1618

1. SUMMARY: NICARAGUA'S SECOND MAJOR HOSPITAL EMPLOYEES STRIKE IN EIGHT MONTHS APPEARS AT END WITH WORKERS MINIMUM DEMANDS BEING SATISFIED. SYMPATHY STRIKE, PRIMARILY BY CONSTRUCTION WORKERS, HAVE BEEN CALLED OFF AND HOSPITALS ARE EXPECTED TO RETURN TO NORMAL BY MAY 2. STRIKES LENGTH---NEARLY EIGHT WEEKS---CAN BE ATTRIBUTED IN PART TO BRINGING POLITICS INTO NEGOTIATIONS. DETERMINATION OF HOSPITAL WORKERS TO HOLD OUT IN FACE OF SUSTAINED GON OPPOSITION IS ANOTHER INDICATION OF EMERGING MILITANCE AND INCREASED STRENGTH OF LABOR GROUPS SINCE EARTHQUAKE. IN FORMULATING ITS FUTURE POLICIES EFFECTING LABOR, GON WILL HAVE TO TAKE INTO ACCOUNT POSSIBLE  
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RESURGENCE OF FORMIDABLE ALLIANCE BROUGHT TO BEAR AGAINST IT DURING

HOSPITAL STRIKE. END SUMMARY

2. ACCORDING TO GOVERNMENT SOURCES, TERMS WERE WORKED OUT APRIL 27 FOR AGREEMENT TO END NICARAGUA'S NEARLY EIGHT-WEEK LONG NATIONWIDE HOSPITAL STRIKE. COMMITMENT WAS REPORTEDLY SIGNED BY GOVERNMENT AND WORKER'S REPRESENTATIVES TO CONCLUDE AGREEMENT PROVIDING 25 PERCENT PAY INCREASES TO NURSES AND HOSPITAL EMPLOYEES AND GRADUAL INCREASES OVER TWO YEAR PERIOD TO RESIDENTS AND INTERNS WORKING FOR LOCAL HOSPITAL BOARDS. THESE GRADUAL INCREASES WILL BRING THEIR SALARIES ROUGHLY INTO LINE WITH THOSE PAID SOCIAL SECURITY DOCTORS (I.E. APPROXIMATELY A 70 PERCENT HIKE).

3. IT WAS AGREED THAT FINAL CONTRACT WORDING WAS TO BE WORKED OUT AT MEETING SET FOR EVENING OF APRIL 29. ON MORNING APRIL 29, LABOR MINISTER NAVARRO RICHARDSON, WHO HAS BEEN GON'S PRINCIPAL NEGOTIATOR IN STRIKE TALKS SAID HE HAD REPORTS THAT DESPITE THEIR SIGNED

COMMITMENT HOSPITAL WORKERS WOULD NOT SIGN FINAL AGREEMENT. LA PRENSA DIRECTOR PEDRO JOAQUIN CHAMORRO INTIMATED TO EMBASSY OFFICER THAT SINCE HIS NEWSPAPER SUPPORTED STRIKERS IN THEIR DISPUTE THEY MAY NOW FEEL OBLIGATION TO REFUSE TO SIGN SETTLEMENT UNTIL CENSORSHIP OF LA PRENSA LIFTED. DESPITE THIS POSSIBLE LAST MINUTE HITCH, NAVARRO RICHARDSON WAS IN DRAFTING SESSION WITH HOSPITAL WORKERS UNTIL EARLY HOURS OF MORNING APRIL 30 AND HIS OFFICE INFORMED EMBASSY THAT FINAL AGREEMENT HAD BEEN HAMMERED OUT AT THIS MEETING.

4. MEMBERS OF SCAAS, THE COMMUNIST-CONTROLLED CONSTRUCTION WORKERS UNION, WERE BACK AT WORK MORNING OF APRIL 29 AND OTHER UNIONS WHICH CALLED SYMPATHY STRIKES ARE ALSO BELIEVED TO HAVE RETURNED TO JOBS. UNDER AGREEMENT NEGOTIATED APRIL 27, STRIKING HOSPITAL WORKERS ARE TO RETURN TO WORK MAY 2 AFTER MAY 1 LABOR DAY HOLIDAY. MEANWHILE SOME OF THE STRIKING RESIDENTS AND INTERNS ARE REPORTEDLY ALREADY ON THE JOB AT MANAGUA'S ONLY FUNCTIONING PUBLIC HOSPITAL VELEZ PAIZ.

5. COMMENT: SINCE TWO PRINCIPAL NEGOTIATORS FOR THE NURSES AND AUXILIARIES TOLD EMBASSY OFFICIALS IN FIRST FEW WEEKS OF STRIKE THAT TWENTY-FIVE PERCENT WAGE INCREASE WAS ALL THEY REALISTICALLY HOPED TO WIN, THESE HOSPITAL WORKERS OBVIOUSLY FEEL THAT THEY HAVE IN THIS CONFIDENTIAL

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MOST RECENT DISPUTE, WON A VICTORY. WITH THEIR PROMISED ELEVATION TO PAY LEVELS COMPARABLE TO THEIR SOCIAL SECURITY COLLEAGUES, THE RESIDENT PHYSICIANS HAVE RESOLVED THEIR MAJOR POINT OF CONTENTION WITH THE GON. RESOLUTION OF THIS LONG STANDING ISSUE WILL ELIMINATE A PRINCIPAL SOURCE OF DOCTOR DISSATISFACTION IN THE SOCIAL ASSISTANCE (JNAPS) SYSTEM. THE INTERNS SHOULD BE EQUALLY SATISFIED, HAVING OBTAINED A 33 PERCENT INCREASE ON TOP OF THE 50 PERCENT THEY RECEIVED IN THE STRIKE SETTLEMENT LAST AUGUST.

6. HOSPITAL WORKERS' CHOICE OF PRESIDENT OF SOCIAL CHRISTIAN PARTY, WHO IS ANATHEMA TO GENERAL SOMOZA AND GON, AS THEIR CHIEF NEGOTIATOR SERVED TO SOMEWHAT POLITICIZE NEGOTIATIONS AND MAY HAVE PROLONGED STRIKE MORE THAN WOULD OTHERWISE HAVE BEEN THE CASE. GENERAL SOMOZA IN TURN ALSO CONTRIBUTED TO POLITICIZATION AND PROBABLY HARDENED NEGOTIATING POSITION OF WORKERS BY BRINGING STRIKE ISSUE INTO HIS CAMPAIGN AND ATTEMPTING TO DEFEAT STRIKE.

7. WITH END OF HOSPITAL STRIKE NICARAGUA WILL HAVE WEATHERED ANOTHER IN SERIES OF LONG MAJOR STRIKES SINCE EARTHQUAKE WHICH DEMONSTRATE EMERGENCE OF MORE MILITANT AND AGGRESSIVE LABOR UNIONS. THESE UNIONS DO NOT HESITATE TO LOCK HORNS WITH GON AND HAVE FOR FOURTH TIME FORCED IT TO COME TO TERMS. GON GET-TOUGH TACTICS OF FIRING STRIKERS, ATTEMPTING TO PERMANENTLY REPLACE THEM AND THREATENING DOCTORS WITH LOSS OF LICENSES WERE TO NO AVAIL. INSTEAD HOSPITAL WORKERS HELD OUT AND CONTINUED TO GAIN SUPPORT FROM OTHER SECTORS. STRONG SUPPORT FROM COMMUNIST (ESPECIALLY SCAAS) AND SOCIAL CHRISTIAN LABOR CONFEDERATIONS, BOTH OF WHICH CALLED SYMPATHY STRIKES, AND SUPPORT FROM CHURCH WERE IMPORTANT FACTORS IN WINNING STRIKE. IN ADDITION, POSSIBILITY OF BUSINESS COMMUNITY PUBLICLY JOINING CLAMOUR FOR SETTLEMENT MAY HAVE INFLUENCED GON TO GIVE MORE TO WORKERS IN ORDER TO SPEEDILY CONCLUDE AGREEMENT. GON WILL IN FUTURE HAVE TO TEMPER ITS POLICIES TOWARD LABOR, ESPECIALLY REGARDING WAGE INCREASES, IN LIGHT OF POSSIBLE RESURGENCE OF FORMIDABLE ALLIANCE MUSTERED AGAINST IT DURING HOSPITAL STRIKE.

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## Message Attributes

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